

What's New with Medicare in 2004



Senior Health Insurance
Information Program

Ask SHIIP

Doris Higgins
Regional Program Manager

Q: With all the changes happening to Medicare, how can I make sure I am getting the correct information? What are the changes for 2004 I need to know?

A: Here is what's new with Medicare for 2004.

Increases in Medicare co-pays and deductibles: The Medicare Part B premium will increase to \$66.60/month. The Medicare Part A deductible increases to \$876 per benefit period. The co-pay for a stay in a skilled nursing facility increases to \$109.50 per day for days 21-100.

Limits lifted on therapy coverage: Medicare will not limit payments on medically necessary physical, speech, and occupational therapy.

Medicare Prescription Drug Improvement and Modernization Act of 2003: Starting in 2006, all people with Medicare will have access

to a voluntary prescription drug benefit.

Starting in May of 2004, people with Medicare can choose a prescription drug discount card. To be eligible you must have Medicare A or B and pay any enrollment fees (limited to no more than \$30 annually). This is not a prescription benefit, but rather a discount card intended to be in effect for 2004 and 2005.

When the discount cards take effect in June of 2004, it is estimated participants will receive discounts of 10 –15% off the cash price of their total prescription drug spending. These cards are not intended for individuals who already have drug coverage through insurance or Medicaid.

Medicare will contract with private companies to offer these new discount cards. Medicare is guaranteeing at least two choices of cards per state. If you are in a Medicare + Choice program (HMO, PPO, PFFS) they may also offer a discount card.

Medicare will offer a special benefit for people with low incomes. For individuals with incomes of less than \$12,124 or married couples with less than \$16,363 (2003 figures), the enrollment fee will be waived and \$600 will be credited to their discount card.

When using the \$600 to purchase medications, you will need to pay a co-insurance of 5% or 10% depending on your income. To receive this benefit you cannot be receiving drug coverage from other sources such as Medicaid or insurance.

To learn the latest about these on-going changes we suggest checking the web sites listed below under Sources. As the new prescription legislation is enacted, you may have questions. Answers to your Medicare questions can be found by calling your local SHIIP site, the SHIIP hotline at 1-800-452-4800 or calling 1-800-Medicare.

When sifting through so much information, it is sometime helpful to consider only what applies to you and what is happening now. Also be sure to consider the source of the information to determine accuracy.

Sources: www.medicare.gov, www.in.gov/idoi/shiip, www.hhs.gov (Health & Human Services web site), www.cms.gov (Centers for Medicare and Medicaid Services), www.kff.org (Kaiser Family Foundation)

Address your questions to:

Ask SHIIP

311 W. Washington Street
Ste. 300
Indianapolis, IN 46204
Or www.in.gov/idoi/shiip
1-800-452-4800

SHIIP is a free, unbiased counseling program provided by the Indiana State Department of Insurance. For assistance, call your local SHIIP site to make an appointment or call the state office at 1-800-452-4800 to obtain a list of local SHIIP sites.